

(916) 445-5047

October 12, 1978

Mr. Emory O. McGrew
Colusa County Assessor
Courthouse
Colusa, CA 95932

Attention: Mr. Jack V. Calcagno
Chief Appraiser

Dear Jack:

I have reviewed the materials you sent describing Eskaton (nonprofit health care center in Colusa) and Eskaton's agreements with staff doctors. You ask if the doctors have a taxable possessory interest (in the county hospital property leased to Eskaton). I conclude they do not.

The doctors do not have a taxable possessory interest because their contract for employment does not give them the exclusive control and use of the real property sufficient to raise their contractual employment agreement to a taxable possessory interest. The control and use of the property is contractually given to Eskaton by the county. The doctors have only a right to practice medicine at the hospital.

Eskaton has sufficient possessory rights to be considered a taxable possessory interest. But this taxable interest has been exempted under the welfare exemption.

If you find the doctors are actually leased office space by Eskaton, then that office space is not exempt under the welfare exemption. Otherwise, the use of the exemption of the hospital property is unaffected by the use of the property by the doctors for the practice of medicine. (Rev. & Tax. Code, § 214.7.)

Very truly yours,

Robert R. Keeling
Tax Counsel

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